

***PLEASE NOTE: Since the Glendale City Council does not take formal action at the Workshops; Workshop minutes are not approved by the City Council.**

**MINUTES
CITY OF GLENDALE
CITY COUNCIL WORKSHOP
February 1, 2005
2:30 p.m.**

PRESENT: Mayor Elaine M. Scruggs, Vice Mayor Thomas R. Eggleston, and Councilmembers Joyce V. Clark, David M. Goulet, H. Phillip Lieberman, and Manuel D. Martinez

ABSENT: Councilmember Steve Frate

ALSO PRESENT: Ed Beasley, City Manager; Pam Kavanaugh, Assistant City Manager; Craig Tindall, Acting City Attorney; and Pamela Hanna, City Clerk

1. COMMUNITY DEVELOPMENT ADVISORY COMMITTEE FUNDING RECOMMENDATIONS FOR HUD FEDERAL GRANTS FOR FISCAL YEAR 2005-06

CITY STAFF PRESENTING THIS ITEM: Mr. Erik Strunk, Community Partnerships Director; Mr. Gilbert Lopez, Revitalization Administrator; and Mr. John Turbidy, Chairman of the Community Development Advisory Committee.

This is a request for the City Council to review the Community Development Advisory Committee's (CDAC) funding recommendations for Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), American Dream Downpayment Initiative (ADDI), and Emergency Shelter Grants (ESG) Program funds from the U.S. Department of Housing and Urban Development (HUD). In addition to staff, Mr. John Turbidy, CDAC Chairperson, will present the recommendations to the Mayor and Council for consideration.

The CDAC formulated its recommendations based upon the following funding priorities, provided by the Mayor and Council for Fiscal Year (FY) 2005-06. These funding priorities were originally established by the City Council at the September 3, 2002 workshop.

- Housing-Related Projects (e.g. infill housing, housing rehabilitation)
- Clearance and Demolition of Blighting Conditions
- Programs that Prevent Homelessness
- Programs Related to Domestic Violence
- Programs Related to Employment Services (training, job seeking assistance)
- Programs that Benefit Seniors and Youth

The CDAC conducted an extensive review process for the use of FY 2005-06 CDBG, HOME, ADDI, and ESG Program funds. This process included the review of 50 applications, formal presentations by each of the applicants, and the CDAC's funding recommendations.

CDBG funds can be used for activities that benefit low/moderate income persons; aide in the elimination of slum and blight; and/or address an urgent community need. Examples would include assistance to the West Side Food Bank for home food delivery and the YWCA for the renovation of its facility so that it can continue to provide meals to eligible seniors.

HOME funds are available for activities that will improve the supply of decent, safe, sanitary and affordable housing, such as new infill housing constructed by Habitat for Humanity and the acquisition and rehabilitation of older homes by Community Services of Arizona.

ADDI funds are available for programs that strive to increase homeownership rates among low-income first-time homebuyers with annual incomes that do not exceed 80 percent of the Maricopa County median income.

ESG funds provide assistance to families in danger of eviction or foreclosure by funding existing, successful programs that prevent homelessness. The funds can also be used to help operate existing shelters, such as the West Valley Child Crisis Center, which provides shelter to abused children.

CDBG Proposed Funding Allocations

In FY 2005/06, the City of Glendale will receive approximately \$2,526,810 of CDBG funds from HUD. An additional, \$265,337 of program income and unspent CDBG funds from activities completed in prior years will be available to fund Physical Improvement Activities.

The following is a list of proposed funding recommendations:

- \$379,021 – To fund Public Service Activities (15% maximum allowed).
- \$1,317,764 – To fund Physical Improvement Activities.
- \$590,000 – To fund housing rehabilitation programs provided by the Community Revitalization Division, which include Residential Rehabilitation Program, Roof Repair/Replacement Program, Exterior Improvement Program, Voluntary Demolition Program, and related lead-based paint testing and hazard reduction activities.
- \$505,362 – To fund program administration to comply with all related CDBG program federal regulations (20% maximum allowed).

The following is a table summary of the CDBG funding requests received:

	NUMBER OF APPLICATIONS	TOTAL AMOUNT OF FUNDING REQUESTS
PUBLIC SERVICE ACTIVITIES	32	\$705,113
PHYSICAL IMPROVEMENT ACTIVITIES	11	\$1,875,871
TOTAL CDBG REQUESTS	43	\$2,580,984

HOME Proposed Funding Recommendations

The city will receive approximately \$754,690 of HOME funds and an estimated \$36,647 of ADDI Program funds from Maricopa County. Maricopa County serves as the lead agency of the Maricopa County HOME Consortium, which is comprised of Maricopa County, and the cities of Glendale, Tempe, Scottsdale, Mesa, Chandler, Gilbert, and Peoria. The Consortium is responsible for the administration and distribution of HOME funds.

The following is a list of proposed funding recommendations:

- \$400,000 (HOME) – To fund Non-Profit Agencies to provide Housing-Related Activities.
- \$132,000 (HOME) – To fund the Replacement Housing Program.
- \$125,522 (HOME) – To fund the Residential Rehabilitation Program.
- \$50,000 (HOME) and \$36,647 (ADDI) – To fund the First-Time Homebuyer Program administered by the Community Revitalization Division.
- \$47,168 – To fund program administration to comply with all related HOME program federal regulations.

The following is a table summary of the HOME funding requests received:

	NUMBER OF APPLICATIONS	TOTAL AMOUNT OF FUNDING REQUESTS
HOUSING RELATED ACTIVITIES	2	\$550,000

Emergency Shelter Grants Program (ESG)

The city will receive an estimated \$97,576 of ESG Program funds from HUD to assist with the prevention of homelessness, and to assist homeless individuals and families to move toward independent living. Eligible activities include rehabilitation and renovation

of emergency shelters, shelter operational costs, essential services, and homeless prevention activities.

The following is a list of proposed funding recommendations

- \$20,000 – To fund Homeless Prevention Activities, (30% is the maximum allowed).
- \$72,697 – To fund agencies for operational costs.
- \$4,879 – To fund program administration to comply with all related ESG Program federal regulations.

The following is a table summary of the ESG funding requests received:

	NUMBER OF APPLICATIONS	TOTAL AMOUNT OF FUNDING REQUESTS
HOMELESS PREVENTION ACTIVITIES	1	\$29,000
SHELTER OPERATIONAL COSTS FOR HOMELESS SERVICE ACTIVITIES	4	\$88,500
TOTAL ESG REQUESTS	5	\$117,500

The Council received a memorandum from the staff on August 16, 2004, outlining the process utilized by the CDAC for determining the city's community needs. The needs identified in the memorandum remained consistent with those needs identified by Council at the September 3, 2002 workshop.

Since FY 1977-78, Glendale has received approximately \$37,516,810 in CDBG funds to assist thousands of homeowners and individuals with services that provide safe, decent housing, and improve their living conditions. Public service programs, such as homeless prevention and senior, youth, and disabled services, provide a compassionate hand to those in need. Physical Improvement Projects are the bricks and mortar part of the program. The Housing Rehabilitation Programs provide funding for much needed repairs for heating and cooling systems, electrical, plumbing, and other critical components.

Beginning in FY 2004, the city received \$99,167 of ESG funding to specifically assist with homelessness.

Since 1992, the city has received approximately \$6,517,928 in HOME/ADDI program funds that are used specifically for housing-related programs. The HOME Program has funded the construction of many new single-family homes and has helped preserve existing homes.

The citizen participation process conducted for the use of FY 2005-06 HUD federal funding included the following actions:

- On August 12, 2004, notices announcing the FY 2005-06 CDBG/ESG/HOME grant application cycle and orientation meeting were mailed to prospective applicants and a public notice was published in The Glendale Star.
- On August 30, 2004, the Community Revitalization Division staff met with grant applicants to discuss Council priorities, the application process, and evaluation criteria.
- On September 22, 2004, the CDAC held a general meeting and public hearing to solicit input for the use of CDBG, ESG, and HOME funds.
- On November 3, 2004, the CDAC received the grant applications for its review.
- On December 7, 8, and 15, 2004, the CDAC conducted three public hearings, where applicants were given an opportunity to present their applications before the committee.
- On December 11 and 18, 2004, the CDAC conducted two public meetings to formulate its recommendations for Council review.

The CDBG, HOME, ADDI, and ESG programs are federally funded. The CDBG program does not have a match requirement. The HOME program does require a 25% match from non-federal funds and the ESG program requires a 100% match.

An annual match allocation of \$25,000 is provided in General Fund budget as a supplement towards the required 25% match requirement for HOME projects administered by the city. The total match needed for the city's in-house projects could exceed \$176,880, depending on the projects. Even so, no additional General Funds are necessary as the additional match needed will be provided by saved match carryover and other eligible in-kind resources such as donated materials or volunteer hours. Outside agencies that apply for HOME funds are required to provide a portion of their own matching funds.

The ESG funding will be allocated to outside agencies. Those agencies that apply for these funds will be required to provide the 100% required matching funds.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
CDBG – \$2,526,810					\$2,526,810
HOME – \$754,690			\$25,000		\$779,690
ADDI – \$36,647					\$36,647
ESG – \$97,576					\$97,576

<u>Account Name, Fund, Account and Line Item Number:</u>	
Community Development Block Grant	Fund 11
HOME Investment Partnerships Program	Fund 10
American Dream Downpayment Initiative	Fund 10
Emergency Shelter Grants Program	Fund 38
General Fund	Fund 01

The recommendation was to review the funding recommendations from the Community Development Advisory Committee and provide direction.

Councilmember Goulet stated there were three requests within the Disabled category, one request for \$8,000, which received no funding, and two others that were recommended for less than half the amount requested. Mr. Turbidy explained the Committee had approximately \$21,000 less to work with this year in terms of public service projects. He stated, while they did not have any particular problems with the requesting agencies, they did not have sufficient funds to cover the \$750,000 in requests. Councilmember Goulet asked if an agency's track record or lack thereof is taken into consideration when determining which agencies to fund. Mr. Turbidy said the Committee had to make some very difficult decisions and all applicants were treated equally, with no beneficial treatment being shown to agencies selected for funding in previous years. Councilmember Goulet asked if some of the agencies have other opportunities for federal or state funding. Mr. Turbidy said most of the agencies receive funding from multiple sources.

Mayor Scruggs asked if the Committee has information concerning an agency's other sources of income when reviewing their request. Mr. Lopez responded yes.

Councilmember Martinez thanked the Committee members for their service to the city. He pointed out funding for the Congregate Meals category was significantly reduced, stating there was a concern last year that funding would not be sufficient to serve the existing need. Mr. Turbidy said the Senior Meals program received \$40,000 last year in CDBG money and is slated to receive \$45,000 this year, despite the reduction in CDBG funds available for allocation. He said the program also received funds under the Bricks and Mortar part of CDBG to repair their kitchen facility. Councilmember Martinez asked why Council does not have information concerning the amount of funding the agencies received last year. Mr. Strunk offered to provide the information to Council. Mr. Lopez explained the expansion of the Adult Center resulted in more people coming to the facility for food. He said the YWCA is aware of the funding they will receive and have been meeting with city staff to discuss how best to address the needs of the community and streamline their operation. Councilmember Martinez said knowing previous years' allocations would be very helpful.

Councilmember Martinez pointed out Program Administration totals close to 20 percent, stating the cost has been considerably lower in the past. Mr. Lopez agreed the amount allocated for Program Administration increased from 14.8 percent to 20 percent, explaining the additional funds would be used to pay for the consolidated five-year plan and impediments to Fair Housing Studies.

Mayor Scruggs asked how much will the YWCA receive from the city's General Fund this year. Mr. Strunk estimated it to be approximately \$45,000, clarifying the funds are designated for Meals-on-Wheels, not congregate meals. She pointed out Glendale has

the only YWCA free meal program in the valley. She noted that all the money appropriated from Glendale revenue sources, including CDBG and General Fund stays in Glendale. YWCA meals are provided at the YWCA, Adult Center, the Glendale Community Center, the Japanese Center and through home-delivered meals. She said the Teen Scene program is under-funded and will probably be discontinued at the end of this year, suggesting the funds appropriated to that program be redirected to congregate meals.

Mayor Scruggs commented on a growing problem, explaining people who go to the YWCA for a hot meal often take half of their food home to feed their pets. She said a major effort would be rolled out to collect pet food, noting she has asked the Greyhound Foundation to contribute \$1,000 specifically for the pet food project. She said they are also trying to get something done through the city's Pet Showcase show. She stated, while she recognizes the city is attempting to stretch the funding across many areas, the need for food is extremely serious.

Councilmember Martinez asked if the \$265,337 from projects not completed in prior years has already been reprogrammed. Mr. Lopez explained the money that comes from previous savings could only be used for physical improvements because they are limited to 15% of the grant of the current allocation. He noted the Glendale Food Bank was starting a program to collect food for pets. He offered to contact the Glendale Food Bank and ask if they can allocate additional food to the YWCA.

Councilmember Lieberman stated he serves on the National Human Development Board of the National League of Cities and Towns, explaining homeless veterans is one of their primary concerns. He asked if they have received any requests from agencies dealing with homeless veterans. He commented a certain percentage of the 8,000 to 11,000 veterans of the current war who are now in hospitals would be homeless in the next 10 to 15 years. Mr. Strunk stated they did not receive any funding requests concerning homeless veterans this year. Mr. Lopez said, while homeless veterans are served under the programs funded, they have not received any funding requests from programs that specifically serve homeless veterans. Councilmember Lieberman asked if the Human Services Homeless Prevention Program is working with veteran's groups. Mr. Lopez offered to request information on this.

Mayor Scruggs asked if the Glendale Human Services Homeless Prevention Program actually delivers services to people on the verge of homelessness or if they study homelessness. Mr. Strunk explained the request was for emergency funding in special situations where a person is in danger of losing their home. He said the program services clients, offering specific services as a stopgap measure and then working with other agencies to provide specialized services.

Councilmember Clark asked if HOME, ADDI, and ESG are components of CDBG. Mr. Lopez explained the HOME program is specifically for housing related activities and the ADDI program is a spin-off of the HOME program. He stated the ESG program is its own entitlement. He confirmed the programs are stand-alone programs that come with their own funding sources and rules that govern the money. Councilmember Clark pointed out HOME requires a 20 percent match and ESG requires a 100 percent match. She asked if ADDI requires a match. Mr. Lopez stated the program is strictly a first-time homebuyer program that requires a minimum \$1,000 down payment from the applicant.

Councilmember Clark commended staff on the thoroughness of the information Council received, stating, however, she would also like to receive information concerning past appropriations. She expressed concern about the two school based clinics, stating she would like to see them receive full funding next year. She stated she believes prevention is the key to offsetting the cost of healthcare, especially given today's focus on obesity among children.

Vice Mayor Eggleston noted the Community Services of Arizona Emergency Home Repair Program received significant funding and asked for an overview of the services provided by the program. Mr. Lopez explained the program works closely with the city's Internal Rehab Program, stating it represents funding of last resort for elderly and single head of household homes when their air conditioning or heating units break down. He said the program sends its own licensed handyman to the house to repair air conditioning or heating units, typically within 24 hours.

Vice Mayor Eggleston asked if the Boys and Girls Club indicated where their new facility would be built. Mr. Lopez said they want to build the new facility east of 59th Avenue, south of Glendale. He stated they have looked at a site, but some of the owners are still in negotiations. Vice Mayor Eggleston asked if they intend to maintain their current facility. Mr. Turbidy said they intend to sell the facility eventually, but construction of the new facility represents a long-term project.

Vice Mayor Eggleston asked about the Valley of the Sun School and Habitation Center's request to upgrade its group home facilities. Mr. Turbidy explained the Valley of the Sun owns nine or ten group homes in Glendale, three of which are in need of renovations. Vice Mayor Eggleston asked if the group homes primarily house minors. Mr. Turbidy said the three homes in question house adults.

Mayor Scruggs asked who owns the Valley of the Sun School and Habitation Center. Mr. Strunk explained it is an incorporated non-profit agency, serving developmentally disabled adults. Mayor Scruggs asked if another group home would be given the same consideration as a Valley of the Sun School and Habitation Center group home. Mr. Lopez said a home has to serve a population that is eligible for federal monies.

Vice Mayor Eggleston commented the difference between the amount requested for congregate meals and the amount received totals \$27,000. He agreed the program provides a tremendous service.

Mayor Scruggs explained the way the Teen Scene program has evolved does not meet the YWCA's criteria for eliminating racism and promoting and empowering woman, stating it has become a recreation program for teens. She said the funding the city allocates to the program does not come close to addressing the cost of providing the service and the YWCA cannot allocate funds to the program since it does not meet its mission. She suggested staff contact the YWCA about redirecting the \$7,500 allocated to the Teen Scene program to congregate meals. Ms. Santiago noted she has a meeting scheduled for tomorrow to discuss the YWCA Teen Scene and Congregate Meals programs. Mayor Scruggs asked if staff would explore the possibility of redirecting the Teen Scene funds if Council indicates their support for such a move. Mr. Strunk stated he would approach the YWCA to see if they would be interested in redirecting the funds. Mayor Scruggs pointed out the population served by the Congregate Meals program will not decrease in number. Mr. Strunk suggested staff come to Council in a few months to discuss specific Council priorities.

Councilmember Lieberman suggested they refer the issue back to the Committee for further study.

Councilmember Clark suggested residents give directly through the From the Heart program and that Council send a strong message to the Board of Directors for From the Heart that Council has identified the Congregate Meals program as a priority.

Councilmember Lieberman asked what other funding sources does the YWCA have? Mr. Lopez said they receive a lot of funding from the Area on Aging. He stated staff has also asked if they have looked at funding from other cities.

Mayor Scruggs noted the YWCA's primary source of funding is their Tribute to Women fundraiser on March 2. She said, in addition to the Congregate Meals program, the YWCA also runs Haven House, a shelter for victims of domestic abuse.

Councilmember Martinez asked how many agencies typically fail to spend all of their CDBG funds? Mr. Lopez stated the city monitor spending of these funds and reports any balance to the Committee when an agency returns for funding. He said many of the agencies run out of money after three or four months, but the city will ask those who do not use the money to return the funds for reallocation.

Mr. Lopez asked if it is Council's direction to reconvene the Committee to look at the issue of funding for the YWCA Congregate Meals program.

Councilmember Martinez suggested staff work with the Chairperson of the Committee.

Councilmember Lieberman pointed out that was the only item of discussion, stating there seems to be consensus on the remaining items. He suggested the city establish a separate food program for pets, stating he was not previously aware of the problem.

Mayor Scruggs stated the Director of the YWCA has gone so far as to identify the number and types of pets. She said for people who live alone pets can act as a lifeline.

Mayor Scruggs thanked staff and the Committee for their hard work.

2. GLENDALE COORDINATED FEDERAL PROGRAM

CITY STAFF PRESENTING THIS ITEM: Ms. Miryam Gutier, Intergovernmental Programs Director and Ms. Kristin Skabo, Intergovernmental Programs Deputy Director

This is a request for the City Council to review and provide direction on the proposed Glendale Coordinated Federal Program.

The purpose of the Glendale Coordinated Federal Program is to have a coordinated plan to affect federal legislation and regulation as it relates to the interests of the City of Glendale and its residents, and to structure a coordinated effort of all federal issues in one department that has authorization to manage the city's agenda.

The Glendale Coordinated Federal Program addresses the Council goal of developing a sustainable plan and strategy that seeks to coordinate all federal Glendale needs, as well as develop a consistent presence with the Arizona delegation, other key members of Congress, and the Executive Branch and its agencies.

The Glendale Coordinated Federal Program will be a Council approved and prioritized document that delineates what issues, topics, and specific items into which the city wants input. The federal agenda may include grant opportunities, line-item appropriations, statute changes, and regulation revisions. In addition, the program contains a plan and strategy for sustaining a long-term city federal program.

Development of a Glendale Coordinated Federal Program will allow the city to delineate issues of importance to the city and the residents, and to take action on those issues to assure the views of the residents are represented at the federal level.

The Federal Program will also provided the venue for the city to focus on federal issues of concern to the community, which will enhance the ability of the city to deliver superior services and to address quality of life issues for the residents of Glendale.

Staff is seeking direction from the Council on the following:

1. The Glendale Coordinated Federal Program Plan and Strategy; and
2. The proposed federal legislative agenda.

Ms. Skabo said it is important to have a coordinated plan because it ensures Glendale's message is communicated to the federal government, demonstrating a unity of city vision. She explained their intent is to prevent individual city departments from independently speaking with federal agencies or Congressmen, making the city appear disjointed. She said it will also help avoid unforeseen intra-department, inter-city and local-state conflicts.

Ms. Skabo reviewed the draft legislative agenda, stating it will be a Council approved and prioritized document that delineates the topics, issues, and specific items into which the city wants input. She stated the agenda would be managed by the Intergovernmental Relations Department (IGR) who will utilize a team approach in its management of the program to further leverage city resources by utilizing the expertise of current staff. She discussed the legislative strategy, which includes monitoring the process, speaking directly with Council members and agencies, advocating directly on behalf of Glendale specific items, developing partnerships, and coordinating with other city departments.

Ms. Skabo explained the Draft Legislative Agenda is similar to the state agenda in that there are broad policy statements under which different bills and regulations could fall. She said, under the Transportation broad policy statement, staff recommends the city designate a TEA-21 Reauthorization and any related bills for monitoring. She explained Proposition 400 relies on federal money coming out of the bill to implement the full

project. With regard to Public Safety/Homeland Security, she said staff recommends supporting legislation and federal issues that directly impact the city's local responders and enhance their ability and the municipality's ability to secure water, transportation and other facility infrastructure. She noted Glendale already receives funding from at least four of the six programs that fall under Homeland Security. She said they placed the Community Oriented Policing (COPS) Office and Local Law Enforcement Block Grants on the list for active involvement because the city has and continues to receive funding from these programs. Ms. Skabo stated the fourth policy statement, Neighborhood Revitalization and Social Services, is recommended for active involvement. She said staff recommends monitoring Telecommunications issues until reason arises to change the status. With regard to Luke Air Force Base, she said staff recommends Council designate this issue as one for active involvement rather than direct advocacy since a Washington D.C.-based consultant has been hired as an advocate for the West Valley consortium. She stated staff recommends Council support legislation that would enable the city to plan and execute environmentally safe and appropriate programs. She stated staff further recommends active involvement in the Clean Water State Revolving Fund.

Ms. Skabo assured Vice Mayor Eggleston they maintain a consistent presence in Washington D.C. and here with the state offices. She stated she would work in conjunction with the city's Grants Coordinator and the various departments to track money that has been received by the city.

Councilmember Lieberman asked Ms. Skabo if she anticipates spending time in Washington to accomplish some of the goals. Ms. Skabo said she will spend some time in Washington D.C., noting she has already taken two trips to introduce herself as the new Intergovernmental Relations Deputy Director.

Councilmember Goulet asked if other cities in the west valley are supportive of the program as presented. Ms. Skabo said, currently, a number of west valley cities do not have federal programs and tend to go after specific agenda items. She noted a number of items in Glendale's draft agenda area are also in the City of Phoenix draft agenda. She expressed her opinion no items in the draft agenda will conflict with the positions of other west valley cities. Councilmember Goulet asked if written support would be obtained from smaller communities who are not directly involved. Ms. Skabo responded yes, stating she expects a number of issues on which the city can partner with other west valley cities and the state.

Councilmember Clark said she has concerns about the program strategy, how the program will be managed, and how conflicts are identified. She asked who would give the IGR direction concerning prioritization of department requests. Ms. Skabo stated City Council would prioritize the issues. Councilmember Clark asked if the document and the prioritizations set by Council will allow some flexibility should new issues arise. Ms. Skabo said new issues that do not fit under an existing policy direction would be brought back to Council. Councilmember Clark asked how the Grants Coordinator factors into the program. She said she sees nothing in the document that advocates an

aggressive effort to go after funding for specific programs. Ms. Skabo explained most line item appropriations would fall under one of the policy statements; however, in instances where a line item appropriation does not fall under a policy statement, a statement would be added to the agenda. Councilmember Clark said she is not comfortable simply monitoring the various issues, explaining she would like the city to take a much more aggressive stance. She expressed her opinion the Council should be made aware of line-item appropriations the city should actively solicit. Ms. Skabo explained the Grants Coordinator is vital to the program, working with the IGR to identify grant opportunities and submit grant proposals. Councilmember Clark said, while she sees the need for tremendous advocacy for low to moderate-income people, the city does that on a perennial basis. She said there are also issues with regard to people who lie just above the low to moderate-income level and asked if there are any federal programs related to that group. She expressed her opinion public safety initiatives that focus on making neighborhoods safer are of paramount importance and should be actively pursued.

Mayor Scruggs explained the intention is to give direction about the process to be followed and staff will return at a later date to discuss legislative issues and priorities. She said the goal is to have the priorities identified by the various departments, the Grants Coordinator and the Council funnel through the process so that a unified voice is presented to Congress.

Councilmember Martinez asked when should Council bring up specific items of interest. Ms. Skabo said they could start working on individual issues once the document is approved and they have policy direction from the Council.

Mayor Scruggs suggested they schedule another workshop at which time the Council members could present their individual issues. Ms. Skabo said she could also meet individually with each Council member and bring a summary of the items back to the Council for review and discussion. Mr. Beasley agreed with Ms. Skabo's suggestion.

Mayor Scruggs commended Ms. Skabo and all who worked on the document, stating it will provide much needed guidance to the departments and the Council. She expressed her opinion the current IGR Department is the strongest Glendale has ever had.

3. 2005 STATE LEGISLATIVE UPDATE

CITY STAFF PRESENTING THIS ITEM: Ms. Miryam Gutier, Intergovernmental Programs Director, Ms. Kristin Skabo, Intergovernmental Programs Deputy Director, Ms. Dana Tranberg, Intergovernmental Programs Deputy Director

This standing workshop item provides an opportunity to update the City Council on legislative bills and issues that may impact the city and that may also require immediate policy direction.

The Intergovernmental Programs staff once again recommends prioritizing the legislative agenda to a few key issues to allow the city to have a stronger, more consistent message on the items of greatest priority. The proposed key priority issues for consideration are described in the report that was submitted to the Council.

The legislative agenda defines the city's priorities for the upcoming session and will guide the city's lobbying activities at the Arizona State Legislature. The Intergovernmental Programs staff will come before the Council on a regular basis throughout the session for direction on bills and amendments that may be introduced. The city's legislative agenda is a flexible document and may change, based on activities at the Legislature and Council direction.

The first legislative agenda for 2005 was provided to Council during the January 4, 2005 workshop and included staff recommendations on general legislative policy issues. The Council provided policy direction on the 2005 Glendale legislative agenda.

The 47th Legislature's 1st regular session began on Monday, January 10, 2005.

The key principles of Glendale's legislative agenda are to preserve and enhance the city's ability to deliver quality and cost-effective services to citizens and visitors; to address quality of life issues for Glendale residents, and to enhance the City Council's ability to serve the community by retaining local decision-making authority and maintaining fiscally balanced revenue sources.

The recommendation was to review this item and provide staff direction on the proposed legislative issues.

Ms. Gutier stated January 31 was the last day a bill could be introduced in the Senate, noting almost 1,100 bills have been introduced this year. She said every issue that could potentially impact the city has been sent to the departments and legislative liaisons for evaluation of possible financial and operational impacts. She said all of the information collected has been taken into account in putting together the list of items of interest and a report that details a number of issues has been prepared for Council.

Ms. Gutier explained HCR 2006 Municipal Debt: Capacity increases the constitutional limit for bonding from six percent to 20 percent for public safety and streets projects. She said public safety and streets projects would be treated the same as water, sewer, land conservation, and recreation. She stated all increases to the bonding would have to be approved by the voters and the issuance of the bonds would have to be approved by the Council and the voters. She said staff's recommendation is to support HCR 2006.

Ms. Gutier stated HB2440: State Lottery provides for dedicated funding of lottery revenues to state and city beneficiaries, explaining it would take away all of the individual games that fund individual programs with all money funneled through a general fund. She stated the monies would be distributed on a guaranteed basis for the funds identified. She explained the City of Glendale would receive \$23 million for its Local Transportation Fund, \$20 million for its Heritage Fund, and \$5 million in Mass Transit funds. She said staff recommends supporting the bill.

Councilmember Clark asked who guarantees the amounts and where will the extra funding come from if lottery revenues are not as high as expected. Ms. Gutier explained the amounts will be outlined in State Legislation and the funds will come out of the General Fund if revenue projections are not met. Councilmember Clark asked why they assigned specific dollar amounts rather than percentages and what mechanism is available to change the cap in the future if lottery revenues grow. Ms. Gutier said the bill, as proposed, does not include a mechanism to change the cap. She said the League of Cities and Towns has taken direction from other cities and gone back to the Governor's Office to ask, first, if the Mass Transit amount could be increased from \$5 Million to \$10 Million and, second, if the bill could be revisited in five or ten years to adjust the amounts if lottery revenue is higher than anticipated. Councilmember Clark asked if the additional \$5 million for Mass Transit would come from the General Fund allotment. Ms. Gutier was unable to say for sure, but expressed her opinion it would likely come from the Healthy Arizona Funding, which would be set at \$13.6 million. Councilmember Clark asked Council to give direction to support the League in its quest to develop a mechanism to revisit the funding allocations on a periodic basis.

Mayor Scruggs agreed with Councilmember Clark's suggestion. She commented on the tremendous relief it would be not to be under annual threat of a raid on the Heritage Fund.

In response to Councilmember Martinez's question, Ms. Gutier explained funds would come out of the lower priority items such as the Healthy Arizona Fund if lottery revenue were not sufficient. She noted the legislation also increases the amount that winners of the lotteries receive.

Mayor Scruggs asked what is the average total of lottery revenue generated for the past three years. Ms. Gutier stated the ten-year total is \$870 million. She said the Local Transportation Fund has received \$23 million a year for the past ten years. Mayor Scruggs asked if the unallocated portion of lottery revenue is intended to guarantee the allocated portion and, if so, what does the unallocated portion amount to. Ms. Gutier was unable to say, but offered to research the answer for Council.

Mayor Scruggs said the concept of having a guaranteed source of funding is supported, but the Council would like to see some enhancements to the original proposal.

Councilmember Clark suggested the unallocated portion is used to advertise and administer the games.

Ms. Gutier clarified the Council will support the concept and staff will look at amendments to the language that will increase funding for Mass Transit and allow for periodic reviews. She said they would also research how unallocated funds are used.

Ms. Gutier stated HB 2308 Land Divisions Airfield Disclosure is the only bill related to military bases. She said the bill requires land buyers in the Clear, High Noise, Accident Potential or Sound Attenuation Zones to sign a separate affidavit of disclosure. She said staff recommends the city support this bill.

In response to Vice Mayor Eggleston's question, Ms. Gutier explained, in the past, the bill related only to new homes. She said the current bill relates to any transfer of property.

Ms. Tranberg stated HB 2131: County Islands; Annexation; Property Rights prevents

municipalities from changing land use or septic sewer use without consent of the landowner or subsequent landowners if the property is sold. She reported the sponsor is working on amendments to the bill, but the city has not been included in those discussions. She said this is one of the worst land use bills the city faces this session and staff recommends a position of non-support.

Councilmember Clark agreed with staff's recommendation.

Ms. Tranberg explained HB 2480: Lawsuits Against Public Participation is intended to protect the public's right to participate in or petition government. She stated the bill is assigned to one committee, but has not yet been heard. She said staff's recommendation is to support the bill.

With regard to the Tax Incentive bills, Ms. Skabo stated staff is recommending a position of non-support on SB 1200, SB 1201, SB 1005 and SB 1287 and a neutral position on SB 1274.

Councilmember Lieberman asked about the status of SB 1200 and 1201. Ms. Skabo stated SB 1201 passed out of Committee four to three, but has not yet been placed on the Senate Finance Committee agenda. She stated SB 1200 was held in committee due to some Committee members' concerns with the bill. Councilmember Lieberman asked what is the west valley cities and the League of Cities and Towns' positions on the bill. Ms. Skabo said all are staunchly opposed to both 1200 and 1201.

Ms. Skabo explained SB 1005 was not found to be as onerous as the other bills; however; when its companion bill SB 1287 was introduced, staff changed its recommendation from neutral to non-support.

Ms. Skabo stated SB1274 simply defines what a tax incentive is and does. She said the League of Cities would continue to oppose the bill because their policy statement says they must oppose all bills that infringe on local control; however, many cities are taking a neutral stance with regard to the bill because it simply defines what is already being done in practice.

Councilmember Martinez asked why staff is recommending a neutral position over one of support when the bill defines what is already being done in practice. Ms. Skabo explained staff is recommending a neutral position because they did not believe Council would support any measure that limits its ability to implement any of its economic development deals. Mayor Scruggs clarified supporting the bill would set a precedent that the State Legislature has a role in determining how the city gives incentives.

Mayor Scruggs voiced Council's consensus to accept staff's recommendation.

Ms. Skabo stated HB 2132: Fire Services; County Islands requires cities to provide fire and emergency services to a county island if no services are available and stipulates that the city may charge for those services. She said staff is recommending a position of non-support because it usurps local control and governance and places a burden on the city.

Councilmember Clark stated she is not comfortable with staff's recommendation, pointing out the city already provides services to county islands. She asked why staff did not recommend a neutral position. Ms. Skabo said staff typically recommends the Council not support bills that serve to usurp local control.

Mayor Scruggs said they do not know how the city will grow and, while they may be comfortable providing those services now, that might not be the case in the future. She said she would also support a position of non-support because the bill would impact every city and town in the state.

Councilmember Clark said, based on staff's reasoning and Mayor Scruggs' reasoning, she will accept staff's recommendation to not support the bill. She said, however, it speaks to the city's schizophrenic attitude toward preemption of local control. She explained the city's stated policy is to not support any bills that reduce local control; however, staff recommended a neutral position with regard to SB1274.

Ms. Skabo stated SB 1038: Defensive Driving School; Eligibility says any person who receives a civil traffic violation can attend Defensive Driving School, even if they deny the allegations and the court rules against them. She said the bill would have a significant financial impact on the city in terms of staff time and actual dollars lost. She said, therefore, staff recommends a position of non-support.

Councilmember Clark asked if the cost of attending Defensive Driving School covers the cost of the ticket. Councilmember Lieberman stated a ticket is not issued if a person attends Defensive Driving School. Deputy City Manager Skeete explained a portion of the fee goes to the school and a portion is sent back to the city. Mr. Tindall, City Attorney, explained court time and the time of the prosecutor is taken up if someone appears in court to oppose the ticket. He said the bill, as proposed, would allow someone who has gone to court and lost to go back to Defensive Driving School without paying the court costs.

Councilmember Lieberman explained he had the option as the hearing officer of allowing a person to go to Defensive Driving School, but he never allowed chronic offenders the option of going to school because he felt the incident should be placed on the person's record and the person should be required to pay the fine. He said the proposed bill would remove the hearing officer's ability to make that decision and allow all violators the option of going to school.

Mayor Scruggs pointed out a person has no incentive to correct their behavior if their points are continually dropped.

Councilmember Martinez asked about a bill that was introduced wherein an uninsured person involved in a car accident would have their car impounded. Ms. Tranberg stated the bill was just introduced and she does not believe it has had a hearing.

Councilmember Goulet stated he received two emails today encouraging the city to support the bill. He said California enacted a similar bill and saw a significant reduction in the number of accidents.

ADJOURNMENT

Mayor Scruggs welcomed Mr. Jon Paladini, Acting City Attorney, back from his service in the Air National Guard.

The meeting was adjourned at 4:45 p.m.